

# STATE OF CONNECTICUT



*AUDITORS' REPORT  
SOUTHERN CONNECTICUT STATE UNIVERSITY  
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015*

**AUDITORS OF PUBLIC ACCOUNTS**  
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

State Capitol  
210 Capitol Avenue  
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ROBERT M. WARD

**INDEPENDENT AUDITORS' REPORT ON  
THE APPLICATION OF AGREED-UPON PROCEDURES**

Mr. Mark Rozewski, Interim President  
Southern Connecticut State University

We have performed the procedures enumerated below, which were agreed to by you, solely to assist you in evaluating whether the accompanying Statement of Revenue and Expenses of Southern Connecticut State University (SCSU) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16 for the fiscal year ended June 30, 2015. SCSU management is responsible for the Statement of Revenue and Expenses and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

**Agreed-Upon Procedures Related to the Statement of Revenue and Expenses**

The procedures that we performed and our findings are as follows:

- a. We obtained the Statement of Revenue and Expenses for the fiscal year ended June 30, 2015. We recalculated the addition of the amounts on the statement, vouched the amounts on the statement to management's worksheets, and vouched the amounts on management's worksheets to the university's general ledger on a test basis. We noted no material differences between the amounts in the general ledger and the amounts on the worksheets.

- b. We compared each major revenue and expense account to previous years' amounts and obtained an understanding of any significant fluctuations. The differences between years appeared reasonable.
- c. We reviewed gift revenues. We vouched all such gifts to the university's accounting records for the 2014-2015 fiscal year and noted no exceptions.
- d. We reviewed organization charts prepared by management. We reviewed the extent of documentation of accounting systems and procedures. We made certain inquiries of management regarding control consciousness, competence of personnel, and protection of records and equipment.

We made inquiries of management and non-management personnel to identify the potential for, or occurrence of, fraud or ethics violations.

Through our inquiries, we determined that the systems and procedures for accounting control and management's control consciousness were appropriate. However, we did note areas of concern that are commented upon below.

- e. We selected a sample of 20 cash receipts, totaling \$190,347, credited to accounts of the Intercollegiate Athletics Program. The test items included receipts from advertising, tournament entry fees, game guarantees, sale of equipment, NCAA conference distributions, ticket sales, rental fees, program sales, fund raising, outside gifts, and state appropriations. We reviewed internal documentation for these receipts and vouched the receipts to cashier remittance slips and bank deposit records. Our testing of receipts disclosed that each item in our sample was adequately supported and deposited.
- f. We selected a sample of ten payroll expenditures, totaling \$56,785, and vouched these items to supporting documentation. Our testing disclosed that a coach's vacation and sick leave balances were understated by 128.3 and 70 hours, respectively. Our review also disclosed that an employee was able to use 3.5 hours of compensatory time that had expired. Upon further review, it was noted that the university did not reduce any outstanding compensatory time balances as required for any employees in the State University Organization of Administrative Faculty bargaining agreement during the audited period. Upon disclosure, the university made adjustments to the vacation, compensatory, and sick leave time noted in our exceptions. In another instance, the university did not apply the employee's annual sick leave accruals at the commencement of the calendar year in accordance with a stipulated memorandum of agreement between the Connecticut State University American Association of University Professors and Board of Trustees for the Connecticut State University System.
- g. We identified four employees who separated from the Athletics Department during the fiscal year ended June 30, 2015; all four received a payment for unused

leave time upon separation. Our review of the employees' payments of accrued leave at separation, which totaled \$120,520, disclosed that all payments were correctly calculated and adequately supported.

- h. We selected a sample of 15 expenditures, totaling \$212,717, and vouched these items to supporting documentation to determine whether they were properly authorized and accurately recorded. All payments tested were properly authorized and accurately recorded.
- i. We selected a separate sample of five travel-related expenditures, totaling \$24,560, and vouched these transactions to supporting documentation to determine whether they were properly authorized and otherwise well supported. Our testing disclosed that these items were properly authorized and were supported by adequate documentation. However, we noted one instance in which a transaction totaling \$11,390 was coded incorrectly to men's basketball instead of football.
- j. We reviewed grants-in-aid to student athletes by vouching totals on the Athletics Department's grants-in-aid reconciliation to the appropriate supporting documentation to determine whether these reports were valid and complete. We selected a sample of 25 students and tested the validity of their reported aid, book awards, and adjustments. We verified that a signed award letter supporting the award of the athletic grant was on file. No exceptions were noted as a result of applying these procedures.
- k. We selected a sample of 25 student grants-in-aid awards totaling \$172,455 to ensure that their information was accurately reported in the NCAA's Compliance Assistance (CA) software. Our testing disclosed seven instances totaling \$9,857 in which the awards were under-reported in the CA software. Upon further review, we noted that the university's internal accounting records showed the total grants-in-aid amount reported as \$1,704,522 and the total amount reported on the CA software was \$1,809,907, which is a variance of \$105,385.
- l. We reviewed the SCSU Foundation, Inc. audited financial statements and reports to management regarding matters related to internal control. There were no recommendations related to the Intercollegiate Athletics Program in that report. We also obtained the foundation's statement of revenues and expenditures for the fiscal year ended June 30, 2015, related to the SCSU Intercollegiate Athletics Program. Amounts reported in that statement were vouched to the foundation's accounting records, and no exceptions were noted.

We selected a sample of three receipts totaling \$3,853 and three disbursements totaling \$48,969, and vouched these transactions to foundation accounting records. We reviewed supporting documentation for validity and found that

receipt and disbursement transactions were executed according to foundation policy.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenue and Expenses of the Intercollegiate Athletics Program at Southern Connecticut State University or on compliance with the bylaws and constitution of the National Collegiate Athletic Association and other laws and regulations applicable to the University's Intercollegiate Athletics Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the president of the university, the president's designees, the board of regents, and authorized representatives of the NCAA, and is not intended to be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Southern Connecticut State University during the course of our examination.

Sincerely,



John C. Geragosian  
Auditor of Public Accounts



Robert M. Ward  
Auditor of Public Accounts

July 13, 2016  
State Capitol  
Hartford, Connecticut

**Southern Connecticut State University  
Intercollegiate Athletics Program  
Statement of Revenues  
For the Fiscal Year Ended June 30, 2015**

Revenues:	Football	Men's Basketball	Women's Basketball	All Other Men's Sports	All Other Women's Sports	Non-program Specific	Total
NCAA Revenue	\$ -	\$ 11,000	\$ -	\$ 10,309	\$ 8,155	\$ 9,950	\$ 39,414
Outside Gifts (See note 3)	2,913	29,860	6,538	75,088	91,196	128,059	333,654
Game Guarantees	-	22,000	-	-	-	-	22,000
Ticket Sales	11,790	-	-	1,842	-	-	13,632
Facility Rental	-	-	-	-	-	80,934	80,934
Patents and Royalties	2,948	479	405	6,006	7,958	7,502	25,298
Sale of Equipment and Goods	395	-	-	69	-	-	464
Direct Institutional Support (See note 4)	-	-	-	-	-	7,188,265	7,188,265
Indirect Facilities Support (See note 5)	137,296	76,083	61,446	219,611	337,743	323,644	1,155,823
Miscellaneous Revenue	-	-	-	740	740	344	1,824
<b>Total Operating Revenues</b>	<b>\$ 155,342</b>	<b>\$ 139,422</b>	<b>\$ 68,389</b>	<b>\$ 313,665</b>	<b>\$ 445,792</b>	<b>\$ 7,738,698</b>	<b>\$ 8,861,308</b>
Expenses:							
Salaries, Wages and Benefits	\$ 476,208	\$ 166,375	\$ 85,095	\$ 873,886	\$ 1,346,122	\$ 1,718,143	\$ 4,665,829
Severance Payments	-	20,275	46,677	-	-	64,169	131,121
Contractual Services	19,873	15,863	14,327	15,606	38,656	113,341	217,666
Grants-In-Aid	284,353	229,056	221,048	389,755	580,311	-	1,704,523
Recruiting	1,869	7,466	2,322	319	5,501	-	17,477
Conferences	-	-	-	-	98	1,030	1,128
Team Travel	42,912	52,181	24,562	124,340	185,015	-	429,010
Marketing and Promotion	195	20	39	89	285	5,510	6,138
Memberships and Dues	-	305	249	2,115	3,488	24,674	30,831
Equipment, Uniforms and Supplies	67,039	12,160	12,763	53,048	83,045	161,524	389,579
Insurance and Medical Services	-	-	-	-	-	22,131	22,131
Maintenance and Rental	-	73	-	-	-	25,293	25,366
Indirect Facilities Support	137,296	76,083	61,446	219,611	337,743	323,644	1,155,823
Other Operating Expenses	22,858	3,445	2,562	4,915	9,096	21,810	64,686
<b>Total Operating Expenses</b>	<b>\$ 1,052,603</b>	<b>\$ 583,302</b>	<b>\$ 471,090</b>	<b>\$ 1,683,684</b>	<b>\$ 2,589,360</b>	<b>\$ 2,481,269</b>	<b>\$ 8,861,308</b>
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ (897,261)	\$ (443,880)	\$ (402,701)	\$ (1,370,019)	\$ (2,143,568)	\$ 5,257,429	\$ -

See accompanying notes to financial statement

**Southern Connecticut State University**  
**Notes to the Statement of Revenues and Expenses of**  
**Intercollegiate Athletics Programs**  
**For the Fiscal Year Ended June 30, 2015**

Note 1. BASIS OF PRESENTATION

The accompanying Statement of Revenues and Expenses for the Southern Connecticut State University Intercollegiate Athletics Department for the fiscal year ended June 30, 2015, has been prepared on the accrual basis of accounting with the exception that financial aid expenses have not been reduced for scholarship allowances. The purpose of the statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Program of the university consistent with NCAA Agreed Upon Procedures Guidelines. The statement includes those intercollegiate athletics revenues and expenses made on behalf of the university's athletics programs by affiliated organizations. Because the statement presents only a selected portion of the activities of the university, it is not intended to, and does not, present either the financial position, changes in financial position, or cash flows for the year then ended. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

Note 2. ALLOCATION AMONG SPORTS

The athletics programs reflected in the accompanying Statement of Revenues and Expenses under "All Other Men's Sports" include the following:

- Men's Track and Field
- Men's Swimming & Diving
- Men's Soccer
- Men's Baseball

The athletics programs reflected in the accompanying Statement of Revenues and Expenses under "All Other Women's Sports" include the following:

- Women's Track and Field
- Women's Field Hockey
- Women's Gymnastics
- Women's Soccer
- Women's Lacrosse
- Women's Swimming & Diving
- Women's Softball
- Women's Volleyball

The activities reflected as "Non-Program Specific" include revenues and expenses for non-allocated fees and costs, such as maintenance and general administration, publicity, etc.

Note 3. OUTSIDE GIFTS

Outside gifts received by the Athletics Department during the fiscal year ended June 30, 2015, totaled \$333,654. This amount consists entirely of cash disbursements from athletic accounts administered by the Southern Connecticut State University Foundation, Inc.

Note 4. DIRECT INSTITUTIONAL SUPPORT

Direct institutional support represents allocations by the university administration of general unrestricted funds for various athletics programs. The allocations were primarily used to fund the salaries of Athletics Department administrators, coaches, and other athletics program personnel.

Note 5. INDIRECT FACILITIES AND ADMINISTRATIVE SUPPORT

Indirect facilities and administrative support includes overhead and depreciation not charged directly to the Athletics Department. The amount of indirect facilities support allocated to the Athletics Department is based on the percentage of direct facilities support charged to the Athletics Department compared to the amount of such charges for the university as a whole.

Note 6. CAPITAL ASSETS

Capital assets are those valued at more than \$1,000 based on historical cost; assets are tagged upon acquisition. The university uses the straight-line method of depreciation; land, capitalized collections, library books, and construction in progress are not depreciated. Disposal of capital items are approved by the Property Control Unit.

**Southern Connecticut State University  
Intercollegiate Athletics Programs  
For the Fiscal Year Ended June 30, 2015  
Appendix A**

**Analysis of Major Revenue and Expense Categories**

Amounts for each major revenue and expense account over ten percent of the total revenues or expenses were compared to previous year and budget estimate amounts. For variations over the lesser of \$1,000,000 or ten percent, documenting an understanding of the variation is required. Our review disclosed no major revenue or expense account that met these requirements.

**Comparison to Previous Year**

Salaries, Wages and Benefits and Grants-In-Aid are the only major accounts that meet the ten percent of total revenue and expense thresholds. The variations from the 2013-2014 fiscal year to the 2014-2015 fiscal year were not greater than ten percent or \$1,000,000. No further audit procedures were required.

**Comparison to Budget Estimates**

Southern Connecticut State University does not prepare budgets for Salaries, Wages and Benefits and Grants-In-Aid expense categories as reported on the Statement of Revenues and Expenses. As a result, we were unable to report comparisons from budget to actual amounts in our analysis.